REMARKS

Claims 1 and 3-48 are all the claims pending in the application. Claim 48 is added herein. Claims 12 and 26-27 are objected. Claims 1 and 3-47 stand rejected on prior art grounds. Claims 1, 12, 15, 22-27, 29, and 41 are amended herein. Applicants respectfully traverse these objections/rejections based on the following discussion.

I. The Objections to the Claims

Claims 12, 26. and 27 stand objected to. Applicants have amended claim 12 to fix the typographical error and have amended claims 26 and 27 in accordance with the suggestion in the Office Action. In view of the foreign, the Examiner is respectfully requested to reconsider and withdraw the objections to the claims.

II. The Prior Art Rejections

Claims 1 and 3-47 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Chen et al. (U.S. Patent No. 6,741,969), hereinafter referred to as "Chen". Applicants respectfully traverse these rejections based on the following discussion.

Amended independent claims 1, 22-23, and 25-27 recite, in part, "wherein said record of the promotional offer comprises a declinable value once said unspecified or variable parameters are defined." Similarly, amended independent claim 24 recites, in part, "wherein said record of the promotional offer comprises a declinable value once said unspecified or variable parameters are defined." These features are not taught or suggested in Chen. Furthermore, newly added dependent claim 48 further elaborates on the declinable value, wherein claim 48 recites, "wherein

said declinable value comprising any of a linear, polynomial, and exponential rate of decline in value." Again, such features are not taught or suggested in Chen.

According to the claimed invention as described on page13, lines 8-14 of the specification as originally filed, once the record (i.e., coupon) parameters have been specified and disclosed to the customer, the coupon value is set to decline with time. The rate of decline in the incentive value with time could be a linear, polynomial, or exponential function. In this instance, as the customer is aware of the decay in coupon value once the coupon parameters have been specified, a rational customer would only specify the coupon parameters close to the intended time of redemption. Furthermore, instant redemption coupons are a specific instance of infinite decay in coupon value.

This feature, while not described, taught, or suggested in Chen, would also not be an obvious modification of Chen either because in Chen the customer requests the discount, whereas in the claimed invention, the merchants target customers without the customers necessarily requesting that (1) they be targeted or (2) receive a discount offer prior to receiving the offer. Thus, because the system and method in Chen is set up in reverse to the system and method provided by the claimed invention (i.e., which party is making the offer) there would be no reason for the customer in Chen to establish a declinable value for the coupon. Whereas, in the claimed invention there is a good reason for the merchant to have a declinable coupon value. One beneficial reason would be to entice a customer to accept the promotional offer (i.e., coupon).

Additionally, in Chen it is the customers who are requesting incentives (i.e., discounts in dining options) and seeking merchants who will offer the incentives. Conversely, in the claimed

invention, the issuers of the coupon, or alternatively, the merchants are seeking customers to redeem the coupons. Thus, the claimed invention is further distinguished and patentable from Chen.

Moreover, the Office Action (see for example, page 5, 7, 8, 10, 11, 12, 14) makes several assertions that Chen lacks specific features provided by the claimed invention, but nonetheless makes several conclusions that those features would be obvious in view of Chen. Furthermore, the Office Action takes Official Notice that many of these features are well-known and that it would be obvious to one of ordinary skill in the art to incorporate it in the system and method taught in Chen.

Graham v. John Deere Co., 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545, U.S.P.Q. 459 (1966) provides the correct factual inquiries which establish a background for determining obviousness under 35 U.S.C. §103(a). The cited tests clearly indicate that the claimed invention is unobvious in light of Chen.

First, the scope and content of Chen is clearly different from the claimed invention. Chen discloses a system and method for reducing excess capacity for restaurants and other industries during off-peak hours. Customers or potential customers may bid on gift certificates redeemable at restaurants during a predetermined time. Users may register with the system and provide identification and demographic information which may be used by restaurants for targeted marketing strategies, promotions, and special offers. The system may include a registration module, an auction module, a restaurant guide module, a restaurant manager module, rewards and referral center module, restaurant reservation module, and advertisement displays.

Chen is different and wholly unique from the claimed invention, as Chen generally

describes a system and process to allow customers to bid on restaurant discounts during off-peak restaurant hours thereby reducing excess and unused restaurant capacity (i.e., service, food, etc.). Conversely, the claimed invention is directed to a system and method for personalizing promotional offers to customers and a means of distributing electronic coupons for discounts on products and services to targeted customers. Furthermore, Chen does not discuss the declinable value of the coupons, whereas the claimed invention specifically provides for this feature. Thus, the scope and content of Chen is unique from the claimed invention.

Second, there are significant elements of the claimed invention, which are neither taught nor suggested in Chen. Again, for example, Chen's system and method does not discuss the declinable value of the coupons, whereas the claimed invention specifically provides for this feature.

Third, the level of one of ordinary skill in the art is that of a programmer who works in information systems. Thus, such an individual, at the time of the invention, would not find the claimed invention obvious in light of Chen. In fact, it is unlikely that such an individual would have thought to combine the separate and distinct teachings of the claimed invention with Chen or the teachings taken as Official Notice to yield the claimed invention. However, even if such an individual were to be so motivated, he/she would still fail to yield the claimed invention based on the combination of Chen and so-called "well-known" precepts as discussed above, and further discussed below.

Fourth, the highly complex manipulation of the separate and individually complete formulations which are provided in Chen would not likely be easily combined by one of ordinary skill in the art in the manner suggested in the Office Action, let alone, in the manner provided by

the claimed invention which is indicative of the claimed invention being unobvious in light of Chen.

MPEP §2144.03 provides that an "examiner may take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being 'well-known' in the art," quoting *In re Ahlert*, 424 F.2d 1088, 165 USPQ 418, 420 (CCPA 1970). However, Applicants challenge how well-known it is to (1) allow the assigned default values to be changed a predetermined number of times as in the claimed invention; (2) provide that respective customers can decline to redeem the offer as in the claimed invention; (3) provide that the unspecified or variable parameter of offer discount information is determined for each customer such that the customer's utility for the promoted product of the product identifier information exceeds that of the customer's corresponding preferred brand product as in the claimed invention; (4) provide that the unspecified or variable parameter of offer discount information is determined for each customer as the difference in price between the promoted product of the product identifier information and the customer's corresponding preferred brand product as in the claimed invention; and (5) provide that the unspecified or variable parameter of offer validity period is determined for each customer as at least the period to the estimated time of the customer's next purchase as in the claimed invention.

Therefore, Applicants respectfully make a demand for evidence which supports the proposition asserted in the Office Action as to the whether the above-identified elements are in fact well-known. MPEP §2144.03 goes on to indicate that "assertions of technical facts in areas of esoteric technology must always be supported by citation of some reference work" and "allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a

particular art should also be supported." The Applicants suggest that the claimed invention may constitute esoteric technology, and as such requires support by citation of some reference work by the Examiner. Moreover, MPEP §2144.03 further states that "[t]he facts so noticed serve to 'fill the gaps' which might exist in the evidentiary showing and should not comprise the principle evidence upon which a rejection is based." Applicants suggest that the Office Action has used the so-called well-known facts as the principle evidence to make its rejection and not merely to "fill the gaps".

In view of the foregoing, the Applicants respectfully submit that the cited prior art reference, namely Chen, does not teach, suggest, or render obvious the features defined by amended independent claims 1 and 22-27 and as such, claims 1 and 22-27 are patentable over Chen. Further, dependent claims 3-21 and 28-48 are similarly patentable over Chen, not only by virtue of their dependency from patentable independent claims, respectively, but also by virtue of the additional features of the invention they define. Thus, the Applicants respectfully request that these rejections be reconsidered and withdrawn.

Moreover, the Applicants note that all claims are properly supported in the specification and accompanying drawings. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims.

III. Formal Matters and Conclusion

With respect to the objections to the claims, the claims have been amended, above, to overcome these objections. In view of the foreign, the Examiner is respectfully requested to reconsider and withdraw the objections to the claims.

In view of the foregoing, Applicants submit that claims 1 and 3-48, all the claims presently pending in the application, are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary.

Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,

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